

STAND. COM. REP. NO. 2917

Honolulu, Hawaii

MAR 06 2026

RE: S.B. No. 2061
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2061, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RESIDENTIAL CONDOMINIUMS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the Ninety-Nine Year Leasehold Program to:

- (1) Require at least sixty percent of the residential condominium units within urban redevelopment sites to be set aside for owner-occupied residential use for not less than ten years from the date of initial purchase of the unit;
- (2) Amend eligibility requirements to buy or own a residential condominium unit within an urban redevelopment site to allow an individual to own other real property;
- (3) Amend the term "owner-occupied residential use" to include the renting or subleasing by the owner of a residential condominium unit to any tenant or sublessee of any kind; and
- (4) Allow the sale of up to forty percent of residential condominium units to qualified residents if there are



units available after being advertised for sale for more than sixty days.

Your Committee received testimony in support of this measure from the Hawaii Community Development Authority and two individuals.

Your Committee finds that the Ninety-Nine Year Leasehold Condominium Program established by Act 97, Session Laws of Hawaii 2023, is intended to facilitate the development of low-cost leasehold residential condominium units near public transit for sale to residents of the State. The Hawaii Community Development Authority (HCDA) has undertaken pre-development and due diligence work required for the program. However, due to market uncertainty and increased development costs resulting in feasibility concerns, the HCDA paused further progress on the program in September 2025. This measure would revise the conditions of sale for the low-cost leasehold residential condominium units to make them more attractive to buyers, which may improve overall feasibility, particularly if future economic circumstances improve.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2061, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2061, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



JARRETT KEOHOKALO, Chair



